



State of Washington  
Department of Revenue

# Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

NUMBER: 549

CONVERSION DATE: July 1, 1998

## MORE EXCISE TAX BULLETINS CANCELLED

Issued: September 30, 1994

This bulletin identifies additional Excise Tax Bulletins which have been cancelled. The bulletins cancelled after February 28, 1992 have been added to this revision. You should also refer to ETB 547 issued on June 18, 1990 for a list of additional bulletins which were previously cancelled. These bulletins have been cancelled for a number of reasons. In some cases a particular bulletin may have been superseded by specific legislation, may no longer be correct because of a court decision, or may no longer be necessary because of specific inclusion in a subsequent rule revision.

There may be some delay between the time of a law change and the time an Excise Tax Bulletin is revised. For this reason users of Excise Tax Bulletins are cautioned in applying a particular Excise Tax Bulletin to make certain the principles contained in the bulletin have not been superseded by subsequent legislation.

The following Excise Tax Bulletins were cancelled on September 30, 1994:

ETB #	TITLE	REASON FOR CANCEL
018	POLE RENTAL INCOME AND THE PUBLIC UTILITY TAX	Specifically addressed in WAC 458-20-179.
024	CONTRIBUTION IN AID OF CONSTRUCTION NOT TAXABLE UNDER PUBLIC UTILITY CLASS	Specifically addressed in WAC 458-20-179

*ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.*

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<b>ETB #</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
040	WHEELAGE CHARGES AND THE PUBLIC UTILITY TAX	Specifically addressed in WAC 458-20-179.
106	USE TAX IN RELATION TO ARTICLES USED IN THIS STATE AND USED WITHOUT THIS STATE	Subject matter sufficiently addressed in WAC 458-20-115
169	SELLER'S RESPONSIBILITY TO PROVE WHOLESALE NATURE OF SALE	Specifically addressed in WAC 458-20-102.
188	RAISING PARAKEETS FOR SALE AND THE AGRICULTURAL PRODUCTS EXEMPTION	Subject matter sufficiently addressed in WAC 458-20-122
233	SALES OF PROPANE, BUTANE NATURAL GAS AND OILS TO BE USED FOR PRODUCTION OF CARBON DIOXIDE AS A PLANT GROWTH STIMULANT IN GREENHOUSES	Subject matter sufficiently addressed in WAC 458-20-122.
236	SALES OF FOOD ADDITIVES FOR LIVESTOCK	Subject matter sufficiently addressed in WAC 458-20-122.
393	SPRAY MATERIALS USED FOR CONTROL IN TIMBER AREAS	Subject matter sufficiently addressed in WAC 458-20-122
529	TAXATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION	Specifically addressed in WAC 458-20-179

. The following Excise Tax Bulletins were cancelled in May, 1994:

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
110	MEDICAL CLINICS AND THE HOSPITAL EXEMPTION	Exemption from B&O tax for non- profit hospitals was repealed effective July 1, 1993. See WAC 458-20-168.
546	LIFE INSURANCE AGENTS EMPLOYEES OR ENGAGING IN BUSINESS	Subject matter of this ETB is addressed in WAC 458-20-164 & 105.
551	TAXABILITY OF FUND- RAISING AUCTIONS CON- DUCTED BY NONPROFIT ORGANIZATIONS	Subject matter of this ETB is discussed in WAC 458-20-169.

The following Excise Tax Bulletins were cancelled on December 31, 1993

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
105	DUNNAGE, PACKAGING MATERIALS AND THE USE TAX.	Specifically addressed in WAC 458-20-117.
340	SALE AND USE OF PALLETS	Now discussed in WAC 458-20-115.
341	EXEMPTION OF PREMIUMS	Now discussed in WAC 458-20-116.
471	PRESCRIPTION LENSES	Now discussed in WAC 458-20-150.

The following Excise Tax Bulletins were cancelled on March 1, 1993:

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
129	AMENDED ASSESSMENTS AND THE STATUTE OF LIMITATIONS	Specifically addressed in WAC 458-20-230.
389	CHARGES FOR CONTACT LENSES AND SERVICES	Specifically addressed in WAC 458-20-150.
467	COMBINING COMPONENT PARTS AS MANUFACTURING	Subject matter is now included in the last revision of ETB 398.

The following Excise Tax Bulletins were cancelled on December 31, 1992:

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
038	SALES TAX EXEMPTION OF EXTENDED TO CERTAIN SPECIAL INSTANCES	Specifically addressed in RCW 82.08.030(12) and WAC 458-20-174.
053	PENALTY CLAUSE LOSSES NOT DEDUCTIBLE FROM GROSS CONTRACT PRICE	Subject matter is substantially the same as ETB 414.
055.	COUPONS AS DISCOUNTS	Subject matter is substantially the same as ETB 408

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
076	COMMON CARRIER PERMIT AND THE USE TAX EXEMPTION	Sufficiently discussed in WAC 458-20-17401.
096	DEDUCTION FOR DIS- COUNTS WHEN SALES TAX COLLECTED ON GROSS SELLING PRICE	Specifically addressed in WAC 458-20-108.
107	SELLER'S RESPONSIBILITY UNDER BLANKET RESALE CERTIFICATES	Sufficiently discussed in WAC 458-20-102.
119	INTERSTATE CARRIERS CONDITIONS FOR USE TAX EXEMPTION - LEGISLATIVE CLASSIFICATION POWERS	This ETB did not provide any tax reporting information
181	NONTAXABLE SERVICES RENDERED IN RESPECT TO TAXABLE SERVICES	Specifically addressed in WAC 458-20-170.
193	USE TAX APPLIED TO FIRST MOVEMENT OF UNLADEN VEHICLES INTO THIS STATE TO ENGAGE IN INTERSTATE COMMERCE	Current tax policy is now in WAC 458-20-17401.
195	USE TAX AS APPLIED TO TRANSPORTATION OF AGRICULTURAL COMMODI- TIES IN INTERSTATE COM- MERCE	Sufficiently discussed in WAC 458-20-17401.
197	RETAIL SALES TAX APPLIED TO RADIOS PUR- CHASED AND INSTALLED IN TRUCKS OPERATED IN INTERSTATECOMMERCE	Specifically addressed in WACs 458-20-174.
200	RETAIL SALES TAX APPLIED TO FIRE EXTIN- GUISHERS USED IN TRUCKS OPERATED IN INTERSTATE COMMERCE	Specifically addressed in WAC 458-20-174.
205	NONTAXABLE TRANSFER OF CAPITAL ASSETS IN MERGER OF CLOSELY HELD CORPORATIONS	Specifically addressed in WAC 458-20-106.
302	TAXABLE VALUE OF UNSOLD LOGS	Subject matter is sufficiently discussed in WAC 458-20-135.

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
405	INTEREST RECEIVED UNDER INSTALLMENT CONTRACTS	Subject matter is sufficiently discussed in WAC 458-20-109
412	PROVIDING ANOTHER WITH PERSONNEL SERVICES	Subject matter is discussed in Revenue Policy Memorandum 90-1

The following Excise Tax Bulletins were cancelled on February 28, 1992:

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
007	RENTING OR LEASING TANGIBLE PERSONAL PROPERTY -- INTEREST AND FINANCE CHARGES	Specifically addressed in WAC 458-20-109.
015	LEASE OF EQUIPMENT BY A PUBLIC UTILITY REND- ERING SERVICES IN INTERSTATE COMMERCE	Heavy quoting of Rule 193 language which is no longer in the rule. Adequately addressed directly in WAC 458-20-193 and 211.
030	DEDUCTIBILITY OF DESTINATION CHARGES	Specifically addressed in WAC 458-20-110.
033	SALES OF FISH PRODUCTS TO CUSTOMERS DEALING IN INTERSTATE COMMERCE	Specifically addressed in new WAC 458-20-193.
037	MANUFACTURER'S DEMONSTRATOR CARS AND USE TAX LIABILITY	This is specifically added to latest revision of WAC 458-20- 132.
056	LEASES OF PERSONALITY BY OUT-OF-STATE-LESSORS	ETB misleading in light of current language in new WAC 458-20-193 and published determination
068	INTEREST DERIVED FROM THE SALE OF REAL ESTATE ON AN INSTALLMENT BASIS	Specifically addressed in WACs 458-20-109 and 146.
111	LOCAL TRANSPORT COMPANY AS AGENT OF OUT-OF-STATE SELLER	Not consistent with new WAC 458-20-193
127	LOCAL NEXUS BY MAINTAINING A STOCK OF GOODS	Heavy quotes of Rule 193 which has since been removed. The subject is adequately addressed directly in WAC 458-20-193

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
130	DELIVERIES FROM LOCAL STOCK OF GOODS	Adequately addressed directly in WAC 458-20-193
134	INTERSTATE SALES	Adequately addressed directly in WAC 458-20-193
147	LOCALLY SOLICITED OUT-OF-STATE LESSOR OF PROPERTY WITHIN THE STATE	Not consistent with new WAC 458-20-193 and published determination.
161	BUYER-CARRIER EXEMPTION FOR SALES TO NON-RESIDENTS	Specifically addressed in WAC 458-20-193
212	SEPARATELY STATED FREIGHT CHARGES AS PART OF A DELIVERED PRICE	Specifically addressed in WAC 458-20-110.
426	SALES TAX: POSTAGE AS DELIVERY COSTS	Specifically addressed in an example in WAC 458-20-110.
472	DRUGS PRESCRIBED BY TELEPHONE AND PRESCRIPTION REFILLS	Specifically addressed in WAC 458-20-18801.
477	USE TAX AS APPLIED TO VEHICLE USED FOR BOTH DEMONSTRATION AND SERVICE PURPOSES	Quotes heavily from WAC 458-20-132 language which is no longer in rule. Also not consistent with "two percent" per month reporting method which a dealer may use.
483	BUSINESS AND OCCUPATION TAX AND RETAIL SALES TAX AS APPLIED TO TRANSPORTATION COSTS	Specifically addressed in WAC 458-20-110.
497	LOCAL ACTIVITIES OTHER THAN SOLICITATION CONSTITUTING NEXUS WITHIN THE STATE WHERE SUCH SALES ORIGINATE OUTSIDE THE STATE	Similar to ETB 509 and also adequately addressed in WAC 458-20-193.
498	PROSTHETIC DEVICES--TAX EXEMPTION	Addressed directly in WAC 458-20-18801

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
501	COMPONENTS OF PROSTHETIC DEVICES - SALES AND USE TAX EXEMPTIONS	Addressed directly in WAC 458- 20-18801.
510	SALES/USE TAX APPLICATIONS TO MOTOR VEHICLE AND NON POLLUTANT FUEL	All this material is now in WAC 458-20-126
518	ORTHOTIC DEVICES AND OSTOMIC ITEMS -- SALES /USE TAX EXEMPTIONS	Specifically addressed in WAC 458-20-18801

The following Excise Tax Bulletins were cancelled on February 15, 1991:

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
380	INSURANCE COMPANIES SALES OF SALVAGE	This subject matter was specifically included in WAC 458-20-163 which became effective on March 16, 1991.
166	FRATERNAL SOCIETIES AND THE "DEATH BENEFITS EXEMPTION	This subject matter was " specifically included in WAC 458-20-163 which became effective on March 16, 1991.

The following Excise Tax Bulletins were cancelled on December 3, 1990:

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
062	TRANSFERS INTO A STOCK OF GOODS AT A RETAIL STORE OPERATED BY ANOTHER	This is specifically covered in WAC 458-20-231.
066	WHOLESALING FUNCTIONS TAX IMPOSED ON RE- TAILER-MANUFACTURERS	This is specifically covered in WAC 458-20-231.
074	WHOLESALING FUNCTIONS AND EARMARKED GOODS	This is specifically covered in WAC 458-20-231.
078	USE TAX ON GOODS ACQUIRED BY REPOSSESSION	This is specifically stated in RCW 82.12.020 and in WAC 458-20-178.

<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
083	PURCHASE OF TRAILERS FOR LEASE AND SUBSEQUENT RESALE	This is substantially the same as ETB 59
137	FINANCE CHARGES WHICH ARE PART OF THE SALE CONTRACT	This is contrary to J.C. Penney court case (1981) involving finance charges on sales made in Washington when the credit activities occur outside Washington. See <u>DEPT OF REVENUE v. J.C. PENNEY CO.</u> 96 Wn.2d 38.
139	WHOLESALING FUNCTIONS TAX IN REGARD TO TRANSFER OF GOODS DIRECTLY FROM ONE BRANCH TO CUSTOMER OF ANOTHER	This is in WAC 458-20-231.
142	WHARFAGE AND DOCKAGE CHARGES ON SHIPS TRANSPORTING INTERSTATE OR FOREIGN COMMERCE	This became invalid after the U.S. Supreme Court case involving the Association Of Washington Stevedores. See <u>DEPARTMENT OF REVENUE v. ASSOCIATION OF WASHINGTON STEVEDOR-ING COMPANIES</u> , 435 U.S. 734 (1978).
211	SALE OF REPAIR PARTS FOR FARM MACHINERY TO NONRESIDENTS	This same information is in ETB 291
221	CAUSTIC SODA USED IN POTATO PROCESSING	This is specifically stated in WAC 458-20-113,
230	DEDUCTIBILITY OF MEMBERSHIP FEES PAID TO AN ORGANIZATION PROVIDING SERVICES	This is adequately covered in WAC 458-20-114.
246	BEAUTY SHOP ACTIVITY OF SHAMPOOING, SETTING, AND STYLING OF WIGS	This is specifically stated in WAC 458-20-148.
305	AGENCY NOT PRESUMED IN DROP SHIPMENT SALES	This is adequately discussed in WAC 458-20-159 and other WACs.
<b>ETB#</b>	<b>TITLE</b>	<b>REASON FOR CANCEL</b>
306	INSURANCE AGENTS BROKERS AND SOLICITORS-EMPLOYEE DEFINED	This ETB has been superseded by ETB 546.
338	SELLING PRICE INCLUDES SERVICE CHARGE	This same information is covered in ETB 409
351	CHANGE IN TAX RATES: CONSTRUCTION CONTRACTS	This information is fully addressed in WAC 458-20-235.



358	RENTALS: INSURANCE AND DELIVERY CHARGES	This subject is addressed directly in WAC 458-20-211.
375	RETAIL SALES TAX: CONSUMABLES USED BY CONTRACTORS	This same subject matter is in ETB 475.
400	BY-PRODUCTS OF A MANUFACTURING PROCESS WHICH ARE UTILIZED BY THE MANUFACTURER	This same subject matter is in ETB 474.
430	BUSINESS & OCCUPATION TAX: WHOLESALING FUNCTIONS, WAREHOUS-ING TO RETAIL OUTLETS	This is specifically covered in WAC 458-20-231.
435	BUSINESS AND OCCUPA-TION TAX ACTIVITIES CONSTITUTING NEXUS	This same information is: included in ETB 497.
491	SALES TAX LIABILITY OF HOSPITALS WITH RESPECT TO PURCHASES AND SALES OF DRUGS	No longer correct and needs to be addressed by rule revision. See <u>DEACONESS v. DEPARTMENT OF REVENUE</u> , 58 Wn. App. 783.